

# FISCAL NOTE

**Bill #:** HB 590

**Title:** Background checks for certain school employees

**Primary**

**Sponsor:** Bob Lawson

**Status:** Second Reading

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Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
State Special	\$307,740	\$307,740
<b>Revenue:</b>		
State Special	\$308,000	\$308,000
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

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<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

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## Fiscal Analysis

### ASSUMPTIONS:

#### **Office of Public Instruction**

1. Under HB 590, the Office of Public Instruction will require any new applicants for a teacher, specialist, or administrative certificate to submit to fingerprinting and a background check as a condition of application.
2. The Office of Public Instruction processes 1,400 applications each year for first time licensure in Montana. The Office of Public Instruction will not handle the non-certified staff background checks. Non-certified background checks will go directly to the Department of Justice.
3. The fingerprinting and background check would require additional OPI staff time. The additional workload includes: more time processing applications, finger printing applicants, and investigating those applicants that show a conviction for a sexual offense, a crime involving violence or the sale of drugs, or

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other crime meeting the criteria of Title 37, chapter 1, part 2. Additional responsibilities for OPI staff include offering fingerprint cards, reviewing the cards, forwarding the cards to the Department of Justice, recording returns, corresponding with applicants that have been identified as having a prior conviction, and preparing for and participating in the appeals process.

4. OPI estimates that 5%, or 70, of the applications will generate “hits” during the background check. OPI will need to review and investigate these hits and process denials for the applications. It is estimated that 1%, or 14, of the applicants will file an appeal. OPI will need to hold hearings on these applications.
5. The Office of Public Instruction will need 0.5 FTE (Grade 10) to process the fingerprints and background checks. OPI will also need 0.5 FTE (Grade 15) for investigations. The cost for these positions will be \$28,940 (Grade 10 @ \$23,645 and Grade 15 @ \$34,234) for personal services and \$10,000 for operating costs.
6. OPI will collect \$60 from each applicant and deposit it into the special revenue account. OPI will pay the Department of Justice \$32 for each certified staff background check with a state special account appropriation (note no appropriation is contained in the bill.)

#### **Department of Justice**

7. Federal law has recently changed to allow fingerprint background checks for all positions and volunteers that have unsupervised access to children, elderly, or developmentally disabled persons. Before this Federal law change, only in states with enabling legislation could organizations perform these fingerprint background checks for these types of positions. This change in Federal law occurred after the Governor’s budget was submitted. Increases resulting from Federal legislation are not contemplated in the Governor’s budget. HB 590 currently addresses all of these potential background check requests.
8. Currently, the Department of Justice receives \$32 for fingerprint background checks which is allocated as follows: FBI charges \$24, WIN (Western Identification Network) -AFIS charges \$2 and the State charges \$6. This \$6 is currently deposited in the general fund.
9. The Department of Justice has a general fund appropriation to cover the operations of the fingerprint background check expenses. The expenses do not exceed the \$6 per background check that is retained by the general fund.
10. It is unknown how much increase in the number of background checks will result from the federal legislation. Likewise, it is impossible to determine the impact, if any, that HB 590 will have on the number of fingerprint background checks, other than the known quantity of 1,400 newly certified teachers each year.
11. HB 590 establishes a state special revenue account for the revenue collected from fingerprint background checks for these classes of the public.
12. At a minimum, the annual collections in this special revenue account will be \$44,800 (1,400 certified school staff x \$32 each = \$44,800.) At a maximum, it is expected that 7,000 fingerprint background checks from these classes of the public will be requested for a total of \$224,000 per year.
13. The net available for expenditure by the Department of Justice will range from \$8,400 (1,400 x \$6) to \$42,000 (7,000 x \$6) per year.
14. The Department of Justice will receive an appropriation in HB 2 for \$224,000 (\$42,000 spent within the Department of Justice) from this special revenue account, with the limitation that they can not spend more money than collected.

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FISCAL IMPACT:

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
FTE	2.0	2.0

Expenditures:**Office of Public Instruction**

Personal Services	\$ 28,940	\$28,940
Operating Expenses	10,000	10,000
Transfer to DOJ	<u>44,800</u>	<u>44,800</u>
TOTAL OPI	\$83,740	\$83,740

**Department of Justice**

Personal Services	\$23,645	\$23,645
Operating Expenses	18,355	18,355
Pass through to other organizations	<u>182,000</u>	<u>182,000</u>
TOTAL DOJ	\$224,000	\$224,000
TOTAL	\$307,740	\$307,740

Funding:

State Special (02) OPI	\$83,740	\$83,740
State Special (02) DOJ	<u>224,000</u>	<u>224,000</u>
TOTAL	\$307,740	\$307,740

Revenues:

State Special OPI (02)	\$84,000	\$84,000
State Special DOJ (02)	<u>224,000</u>	<u>224,000</u>
TOTAL	\$308,000	\$308,000

Net Impact to Fund Balance (Revenue minus Expenditure):

State Special OPI (02)	\$260	\$260
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School districts are unlikely to require individuals who volunteer in the schools to pay the cost of the fingerprinting and background check. Therefore, school district budgets may choose to absorb the cost of fingerprinting in districts where the school trustees adopt a fingerprinting requirement if they choose to do the fingerprinting.

TECHNICAL NOTES:

1. There is no appropriation to spend the fee collected contained in this bill.